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RUEHOK/AMCONSUL OSAKA KOBE 3301  
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SIPDIS

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WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;  
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 08/27/08

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ARTICLES:

(1) U.S. Consul General Maher asked to leave Okinawa; Says, "I conveyed U.S. policy honestly"

OKINAWA TIMES (Page 26) (Full)  
August 27, 2008

(Ginowan City) On the morning of August 26, Zenji Shimada, head of a litigation group to end roars emanating from Futenma Air Station, and other civic group members paid a visit on the U.S. Consulate

General in Okinawa and handed over a paper with a resolution that read: "We protest your anti-Okinawa remarks and demand you leave Okinawa immediately." In response, Consul General Maher reportedly stated: "My role is to convey U.S. policy honestly to residents. I do not make personal remarks."

In the resolution was a protest against Consul General Maher's remark made in a press conference on July 11 about housing that neighbors the U.S. forces' Futenma Air Station in Ginowan City. He had stated: "I question why Ginowan City allowed such construction." Consul General Maher asserted that the danger from Futenma Air Station to the surrounding area was low, if one compared the neighboring population density and number of flights to such airports as Fukuoka's. His remark brought about a sharp reaction from local residents.

(2) Reorganization of Okinawa land prior to return of areas used by five U.S. military facilities in south of Kadena Air Base; creation of extensive city aimed at

RYUKYU SHIMPO (Page 1) (Full)  
August 26, 2008

Prior to the return of U.S. military facilities located south of Kadena Air Base to Okinawa, which was agreed on between Tokyo and Washington as part of the realignment of U.S. bases in Japan, the Okinawa prefectural government's planning department yesterday issued a report of a basic study under consideration for drawing an "effective utilization vision" aimed at the use of base land to be vacated by the U.S. military. With the return of large-scale land in

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mind, the Okinawa prefectural government came up with the notion of reviewing the structure of the Naha-centered local economy and establishing a broad urban area made up of central and southern Okinawa. It also drew up tentative plans for the five areas that are scheduled to be returned to Okinawa. The tentative plans include connecting roads in Camp Zukeran.

Of the promising industries for this fiscal year in southern and central Okinawa, the prefectural government will launch a feasibility study of the medical industry with an eye on creating an "innovative technology special zone."

Based on the results of the basic research, the prefecture will formulate an "effective utilization vision" this fiscal year. Regarding the medical industry area, it will look into a road map for creating advanced medical enterprises and bringing in such companies in order to reflect more specialized verification in the road map.

The basic survey was conducted in 2007. As a result, the prefectural government came up with two visions: an industry promotion vision to look into industries to be created and existing ones to be brought in; and an urban function vision to look into a traffic system in central and southern Okinawa.

According to the urban function vision, areas south of Kadena Air Base are regarded as one extensive city. The vision sets these goals: 1) exchanges with the Asia-Pacific region and contribution to the region; 2) building a strategic industrial base; and 3) realizing a new symbiotic life style based on climate and culture. In order to accomplish these goals, a unique concept was made for each U.S. military facility site to be returned.

The report proposes creating a large-scale park and new administrative function at Futenma Air Station, which is located on the center of south-central Okinawa and regarded as a symbol of the settlement of postwar issues, by remodeling into a "multifunctional urban space for international exchanges."

According to the industry promotion vision, the prefecture will verify the feasibility of 14 projects, including an advanced medical special zone, bringing in a heavy particle radiotherapy organization, and an international air distribution network, and their issues.

Based on that, industrial clusters, which are expected to be set up in central and southern Okinawa, include: 1) a medical-affiliated industry cluster; 2) a health business cluster; 3) an Asian gateway zone; 4) a destination resort; and 5) an information and communication industry corridor.

(3) Illegal imports of U.S. beef via Costa Rica: Agriculture ministry imposes total embargo

AKAHATA (Page 1) (Full)  
August 27, 2008

The Ministry of Agriculture, Forestry and Fisheries (MAFF) on August 26 placed a total ban on imports of beef from Costa Rica, because it was found that U.S. beef had been imported to Japan via that country in violation of import conditions. This is the first discovery of the illegal imports of U.S. beef via Costa Rica.

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According to the Animal Health Division of the Ministry of Agriculture, Forestry and Fisheries, about 1.4 tons (320 boxes) of ox tongues from U.S. cattle were illegally imported. The random inspection carried out on August 20 found improper sanitary certificates that carried the name of the consignor but had no name for the beef processing plant.

In response to an inquiry by the agriculture ministry, the Costa Rican government on August 25 replied that the cryopreserved ox tongues in question were U.S. products from cattle processed at the Dakota City plant of Tyson Foods Inc.

The government approves imports of beef products from Costa Rica itself. It also approves imports of such products of 17 other countries, where there have been no confirmed discoveries of BSE cases, via Costa Rica.

However, it does not approve imports of U.S. beef. The agriculture ministry and the health, labor and welfare ministry have asked the Costa Rican government to report on the detailed results of investigations.

According to the Animal Health Division, the importer is a company based in Fukuoka Prefecture. The consignor in Costa Rica has received a certificate to process and store beef bound for Japan only in July this year.

According to the statistics, beef imported from that nation account for about 0.1% of annual total imports.

(4) Aso gives priority to revitalizing corporate activities, evoking skepticism even from LDP

ASAHI (Page 4) (Full)  
August 27, 2008

Liberal Democratic Party Secretary General Taro Aso has continued to call for a package of economic stimulus measures, placing emphasis on revitalizing corporate activities. His aim is to underscore his stance of avoiding pork-barrel such as public works projects by prioritizing measures that are not accompanied by fiscal disbursements.

When asked by Prime Minister Fukuda on Aug. 1 to take the post of secretary general, Aso in accepting the offer said: "There is one challenge I would like you to realize without fail. That is economic recovery." Fukuda agreed that economic measures should be given priority. Since then, Aso has continued to make his pitch.

In a speech on the 9th, Aso proposed a tax-free small-sum capital-gain system. In speeches everywhere, he has expressed his eagerness to introduce the system, saying: "I was determined to introduce the system once I become prime minister. But I cannot wait any longer."

In a press conference on the 19th, Aso said: "It would be better for

companies to make capital investments now," referring to a plan for capital investment tax reduction.

Aso has noted: "Although the interest rate is now close to zero,

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companies are hesitant to make capital investment by borrowing money. A situation that cannot be found in the textbooks on economics is taking place now." This is what Richard Koo, chief economist at Nomura Research Institute, also has advocated. What is needed now is to draw out investment from the private sector. There is a view that if investments are stimulated, there will be an increase in tax revenues enough to cover the revenue shortfall expected from tax cuts "Some might claim that we might become unable to collect some tax money, but if no measures are taken, it may become impossible to collect tax money at all."

Some in the party are skeptical about Aso's policy stance. An ex-senior vice minister said: "His policy is what was pursued during the Obuchi administration, skipping over the Koizumi administration. Mr. Aso, with an eye on the next general election, seems to be declaring that he will go after pork-barrel largesse."

In an attempt to dodge criticism, Aso said: "Those who talk about 'pork-barrel largesse', do not know the meaning of the words." Even so, he has emphasized the need to take measures to control floods and improve the Hokuriku Shinkansen lines in the aftermath of the heavy rains this summer, so it would seem that he is ready to approve a certain level of fiscal disbursements.

#### (5) TOP HEADLINES

Asahi:  
Russian president recognizes independence of South Ossetia and Abkhazia

Mainichi:  
Taliban forces suspected involved in kidnapping Japanese aid worker

Yomiuri, Sankei, and Tokyo Shimbun:  
North Korea suspends disabling nuclear facilities

Nikkei:  
Pension shortfalls at listed companies expand 3.6 times in fiscal 2007

Akahata:  
MAFF minister logged 23.45 million yen in expenses in 2005 and 2006 by registering secretary's home as office

#### (6) EDITORIALS

Asahi:  
(1) North Korean nuclear facilities: Brinkmanship does not work  
(2) MAFF Minister Ota must present supporting documents

Mainichi:  
(1) What prime minister wants to do in extra Diet not clear  
(2) MAFF minister's offices expenses a problem

Yomiuri:  
(1) Ruling parties cannot afford to be divided  
(2) Harmful effects of taxi liberalization cannot be left unaddressed

Nikkei:  
(1) Russia must avoid being isolated internationally  
(2) Fukuda administration in danger zone

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Sankei:  
(1) Diet session must be extended for continued refueling mission  
(2) U.S. presidential race: Deal with Russia resolutely

Tokyo Shimbun:

- (1) Another office expense scandal
- (2) U.S. presidential race: Strong leadership necessary

Akahata:

- (1) Solid economic stimulus package imperative
- (7) Prime Minister's schedule, August 26

NIKKEI (Page 2) (Full)  
August 27, 2008

09:30

Attended a party executive meeting at party headquarters.

10:00

Attended a cabinet meeting at the Kantei. Foreign Minister Kouchi stayed behind. Followed by Finance Minister Ibuki, METI Minister Nikai, Economic and Fiscal Policy Minister Yosano, and Chief Cabinet Secretary Machimura. Nikai stayed behind.

11:29

Met UNESCO Director General Matsuura and others.

14:24

Met Central Japan Railway Company Chairman Kasai.

15:14

Met Education Rebuilding Council member Fumiya Shinohara.

16:54

Met Vice Defense Minister Masuda and Assistant Deputy Chief Cabinet Secretary Yanagisawa.

18:01

Attend a ceremony to give gifts to prize winners in the Beijing Olympic Games and posed for a photo. Later attended a party.

18:51

Returned to his official residence.

ZUMWALT